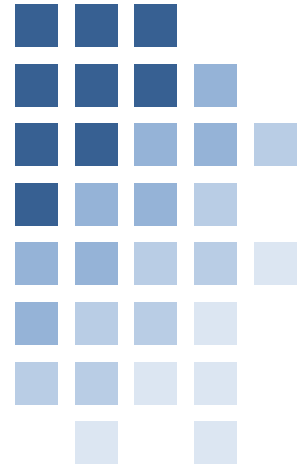


Tennessee Economic Outlook and Tax Revenues

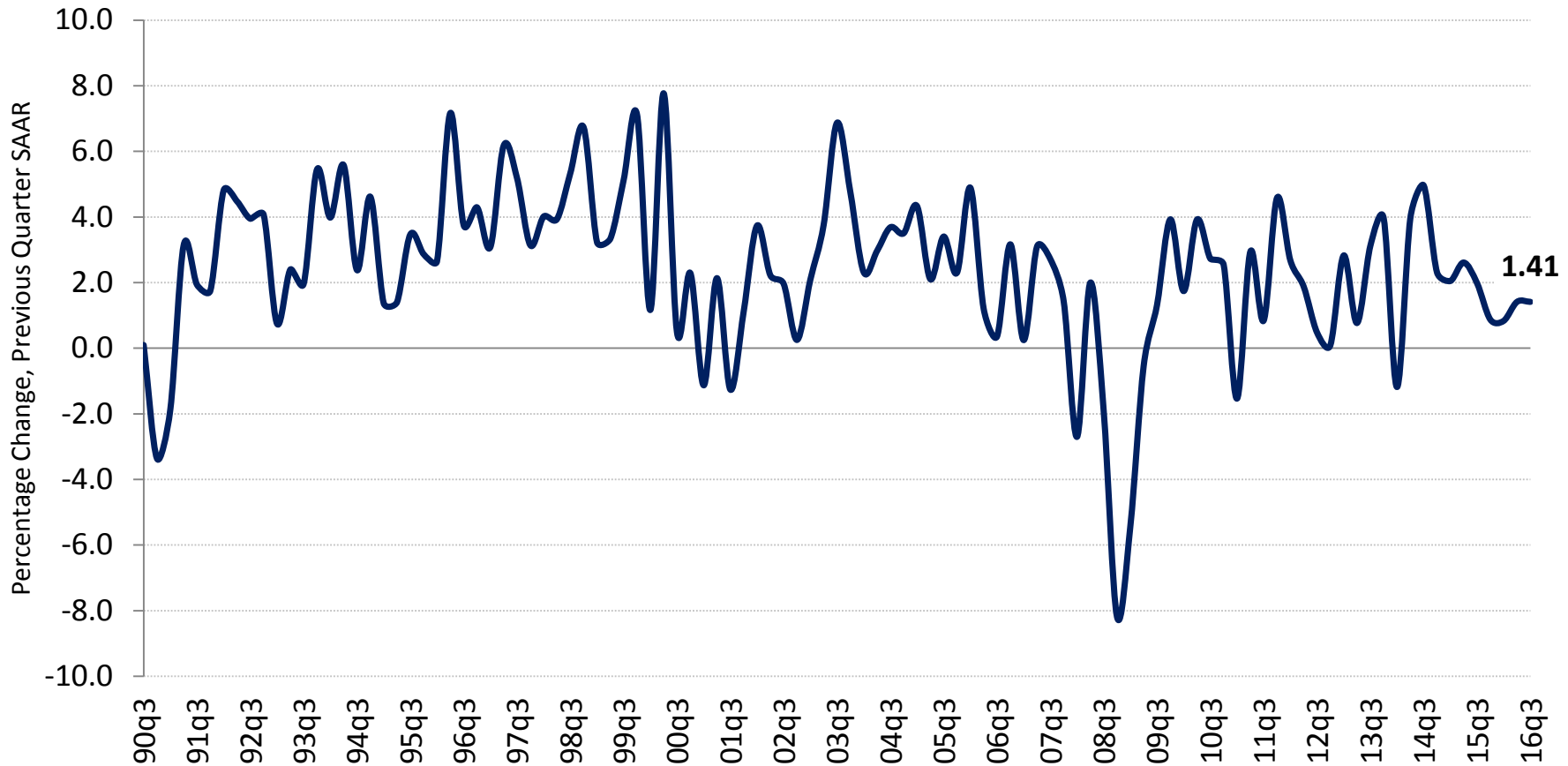
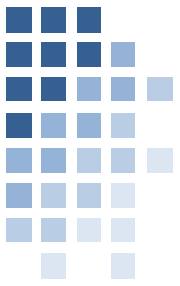
William F. Fox, Director
November 17, 2016



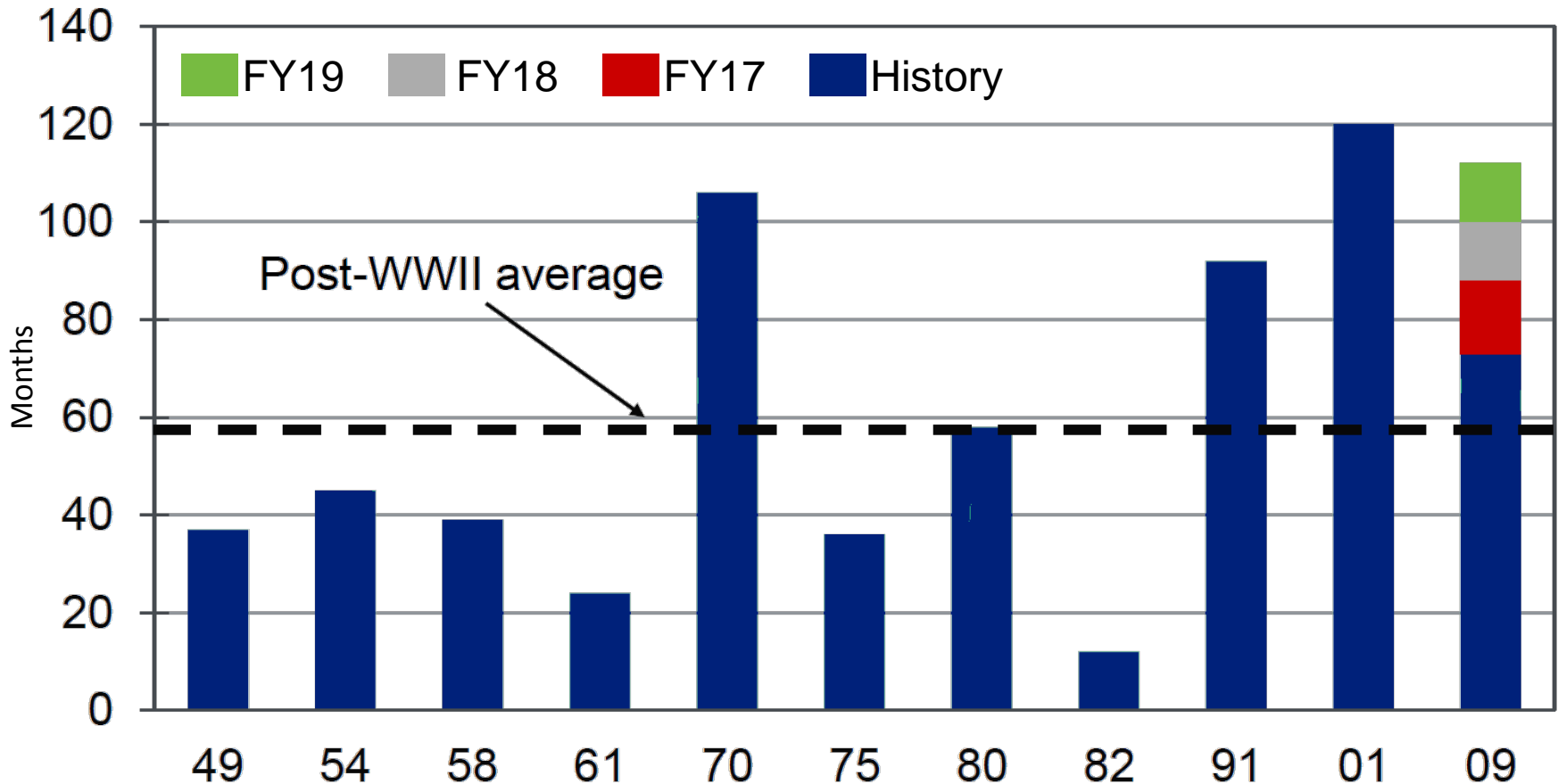
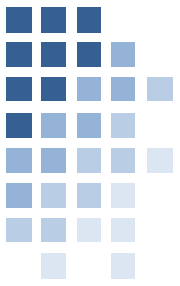
BOYD CENTER FOR BUSINESS &
ECONOMIC RESEARCH



Growth in Quarterly Real Gross Domestic Product (chained 2009 dollars)

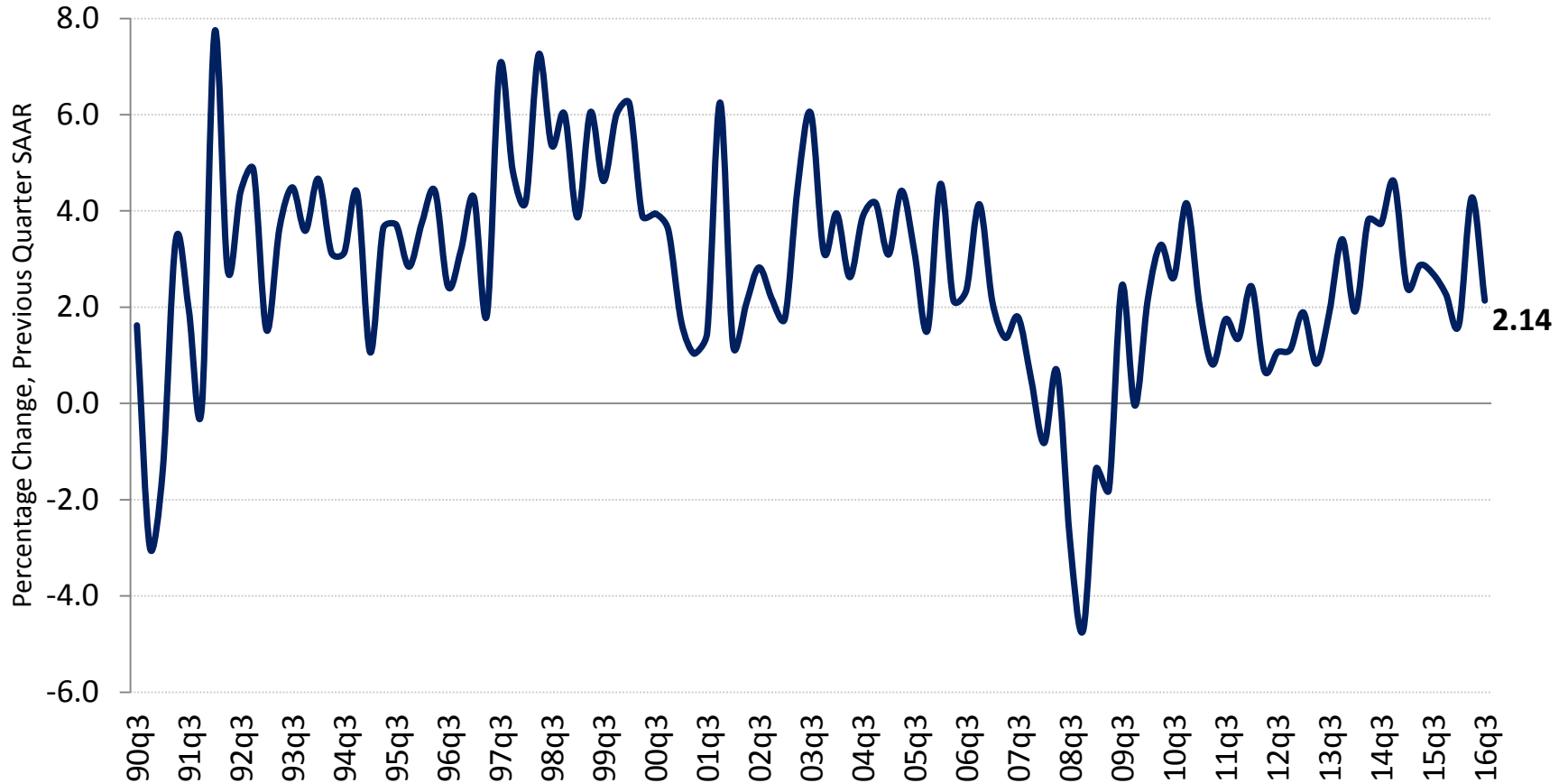
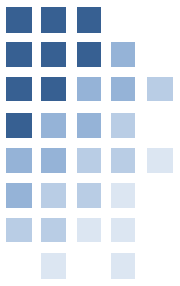


Duration of Business Cycle Expansion (June-July Fiscal Year)

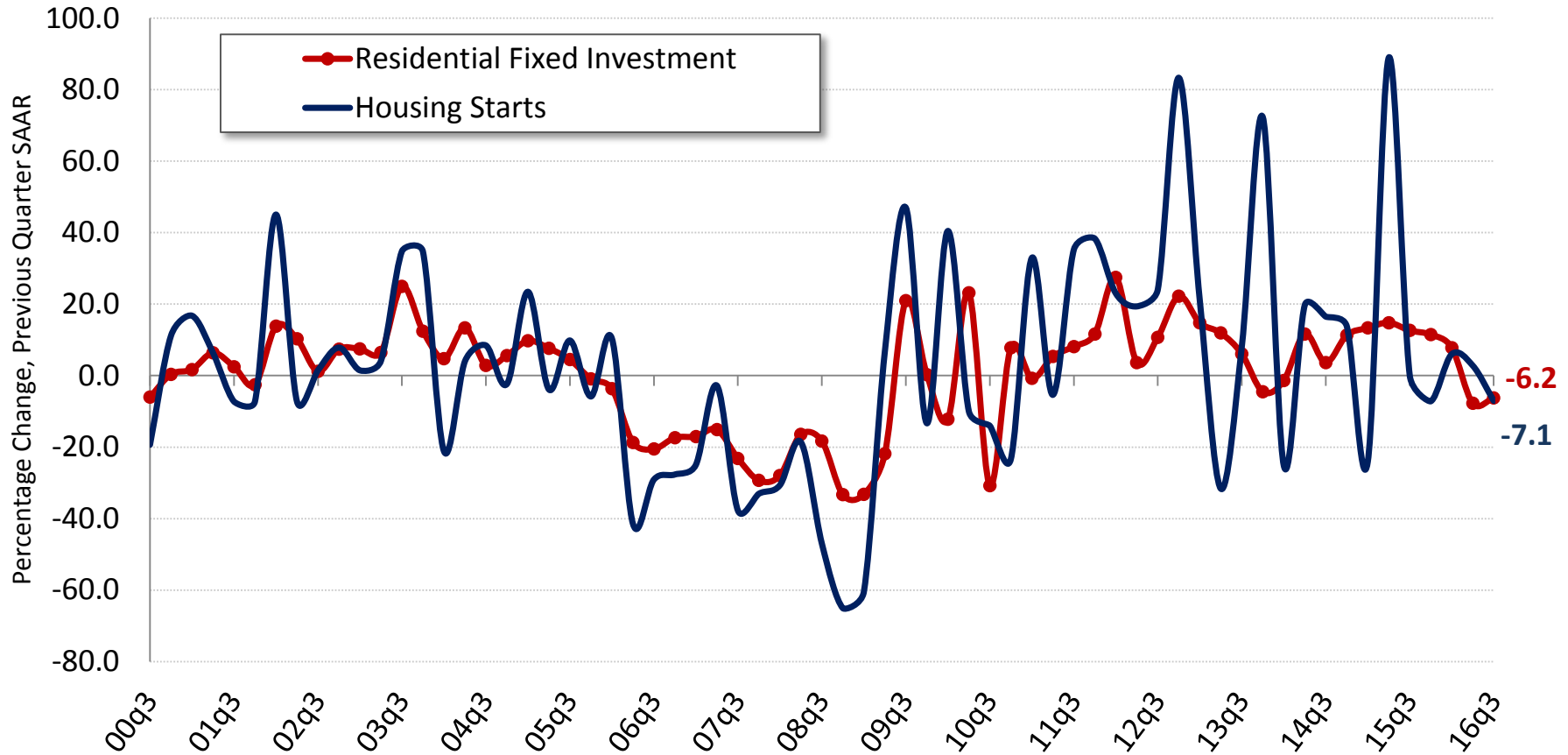
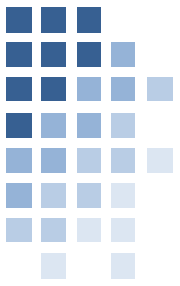


Sources: NBER and Moody's Analytics.

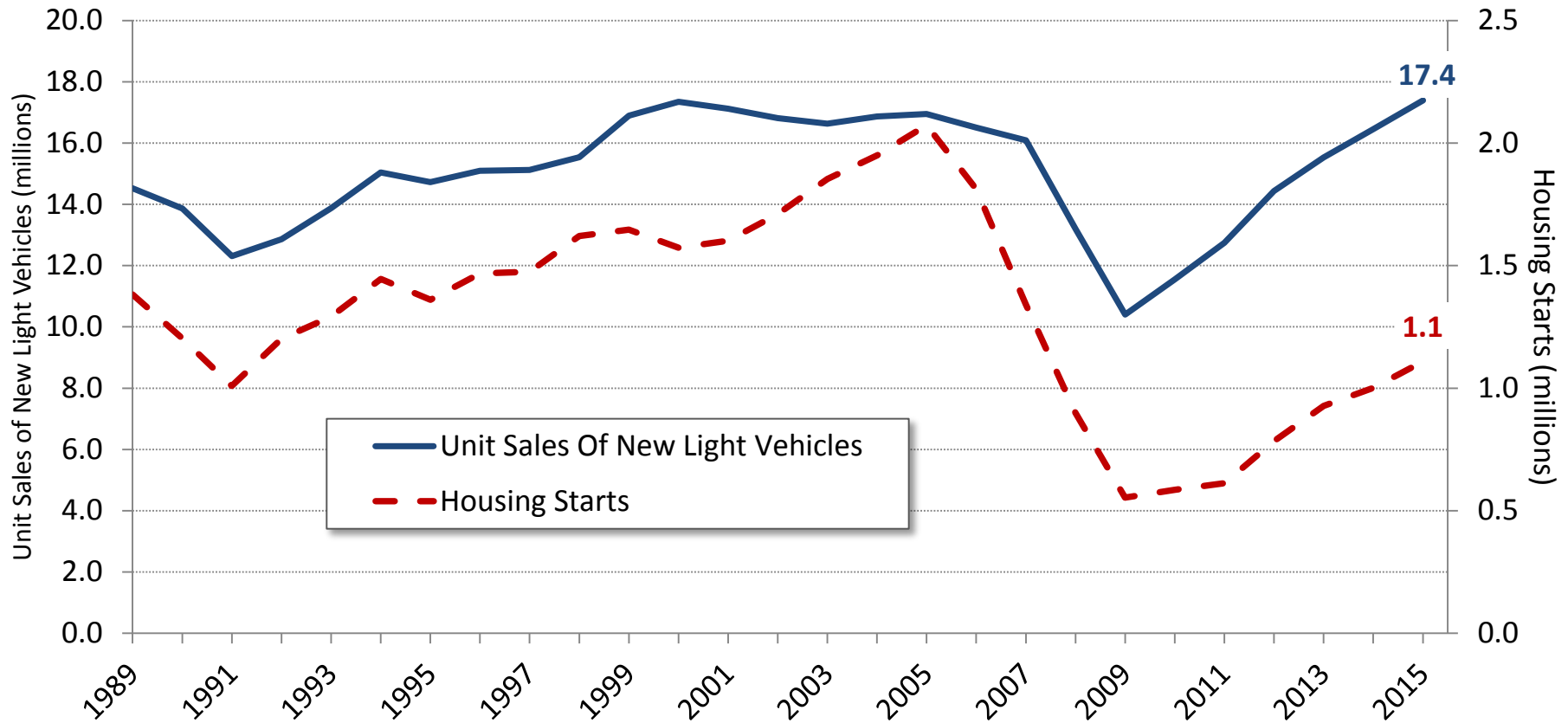
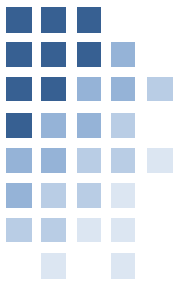
Growth in Quarterly Real Personal Consumption Expenditures (chained 2009 dollars)



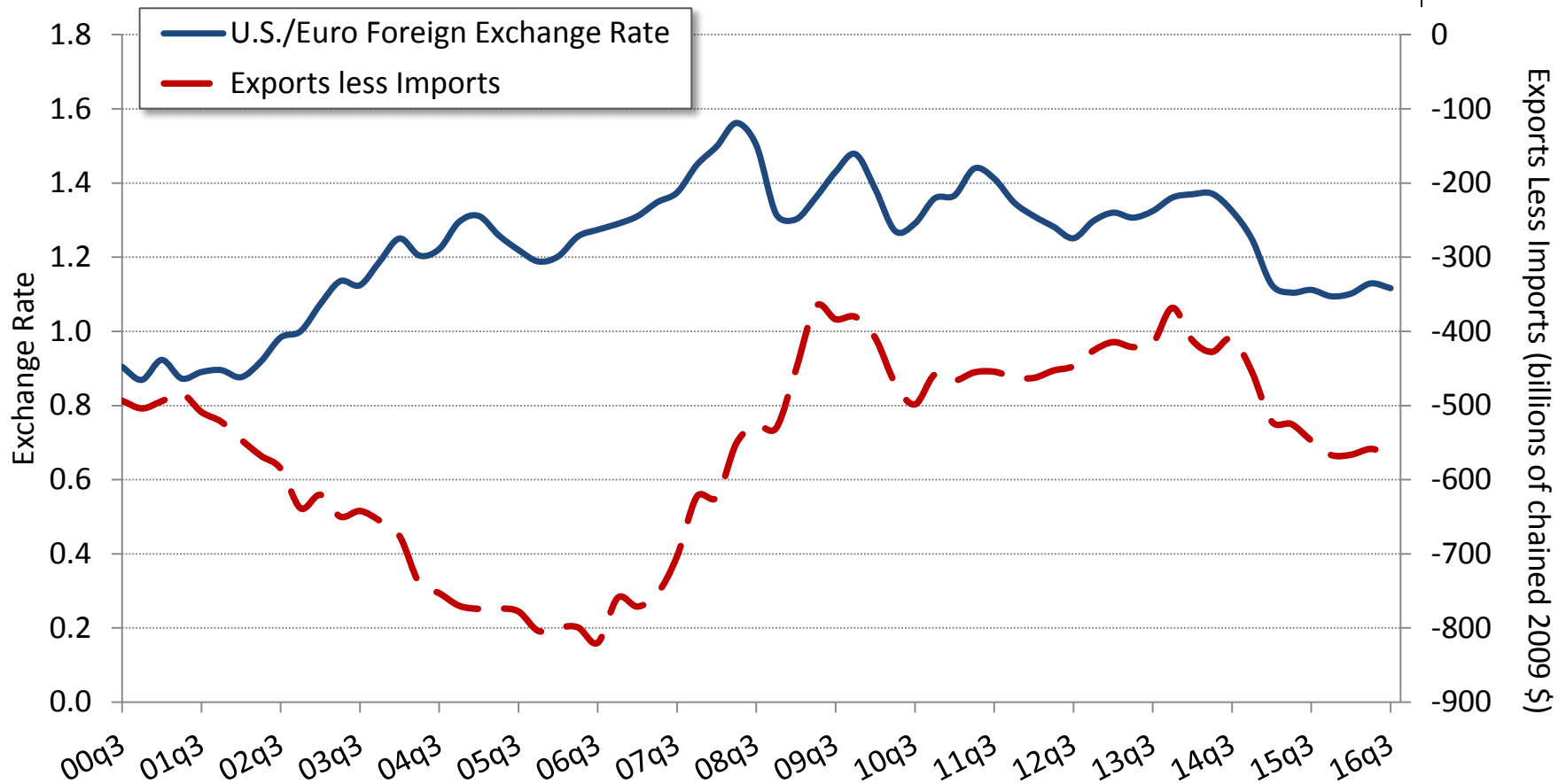
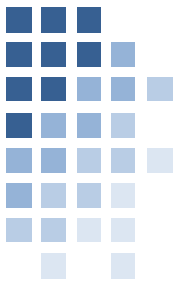
Growth in Quarterly Real Private Residential Fixed Investment and Housing Starts

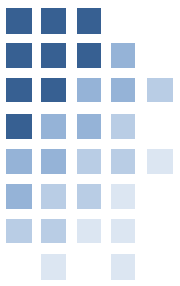


Unit Sales of New Light Vehicles and Housing Starts

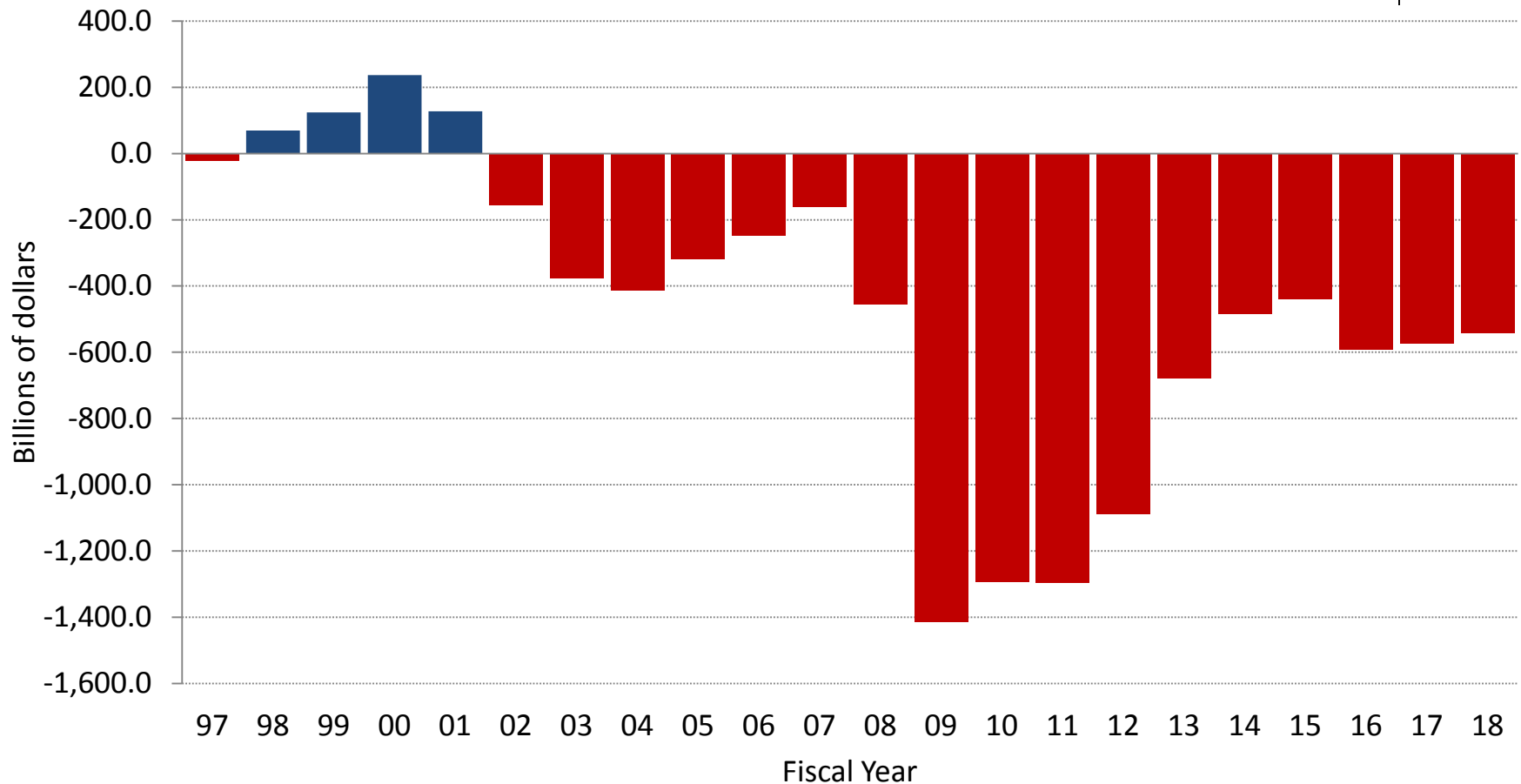


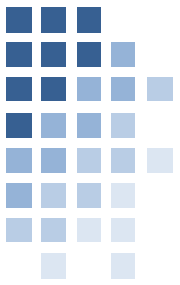
U.S./Euro Foreign Exchange Rate and Real Exports Less Imports



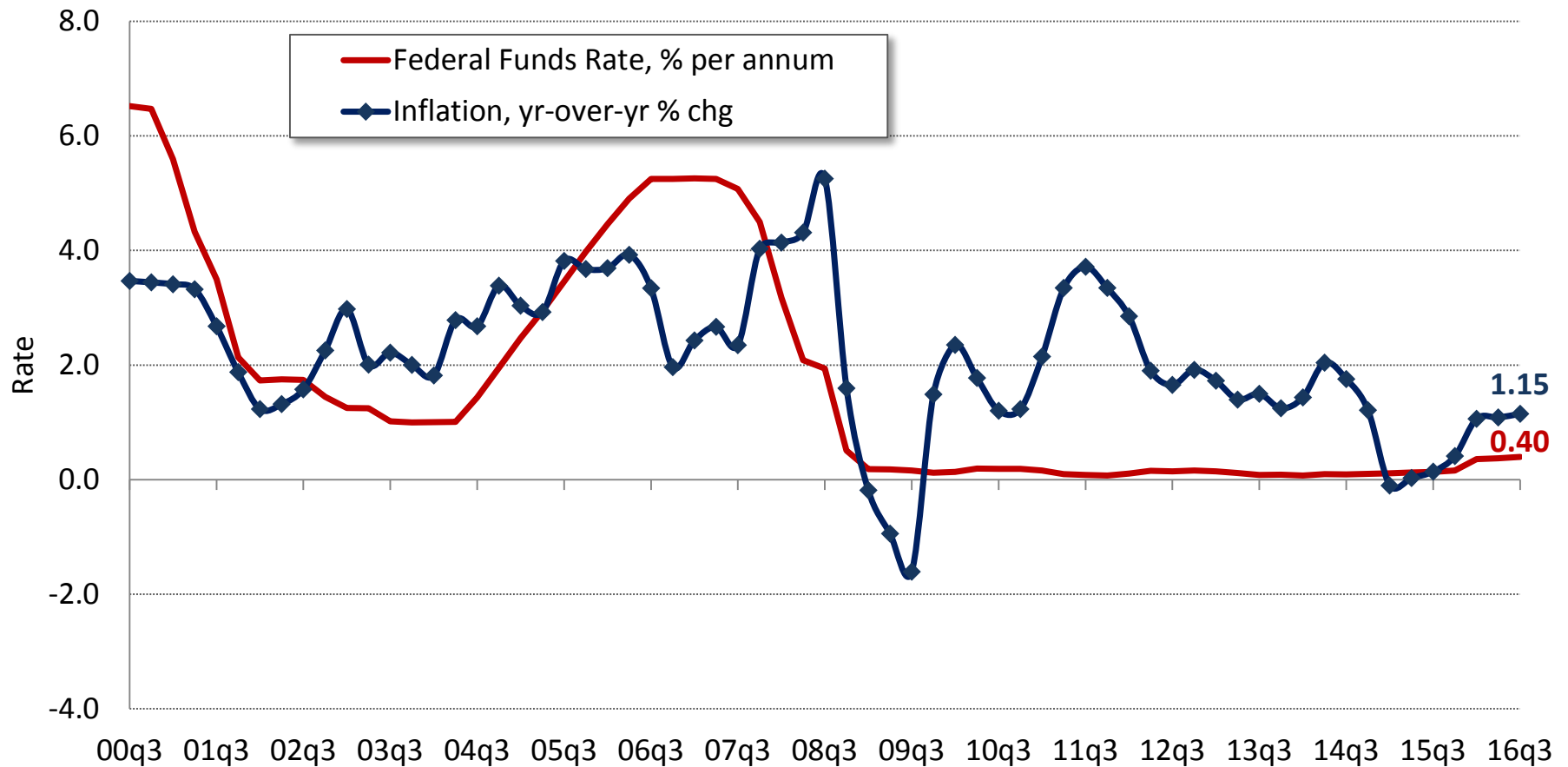


Unified Federal Budget Surplus

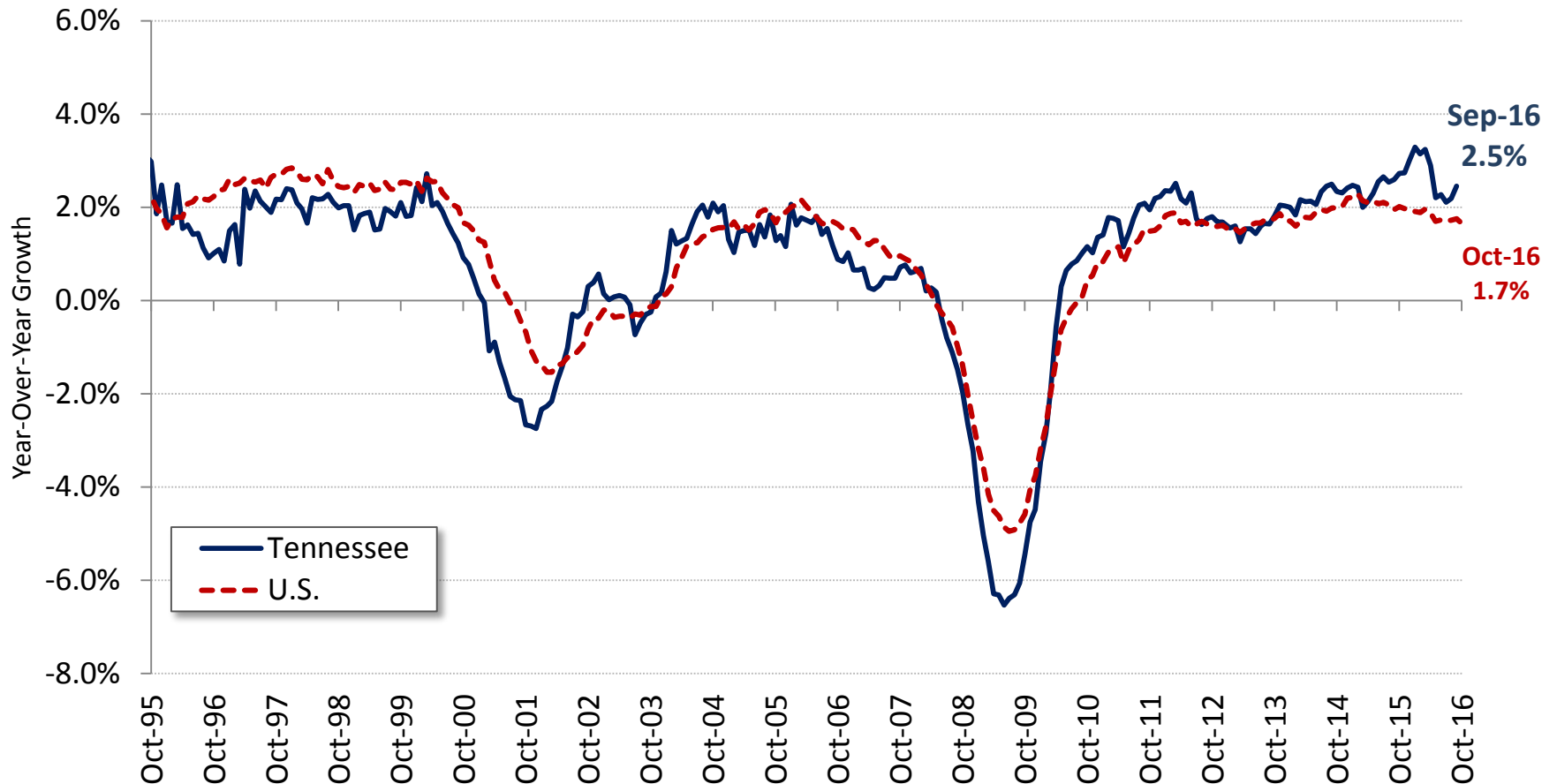
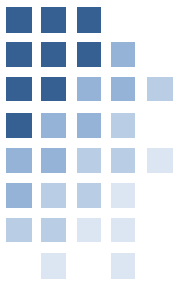




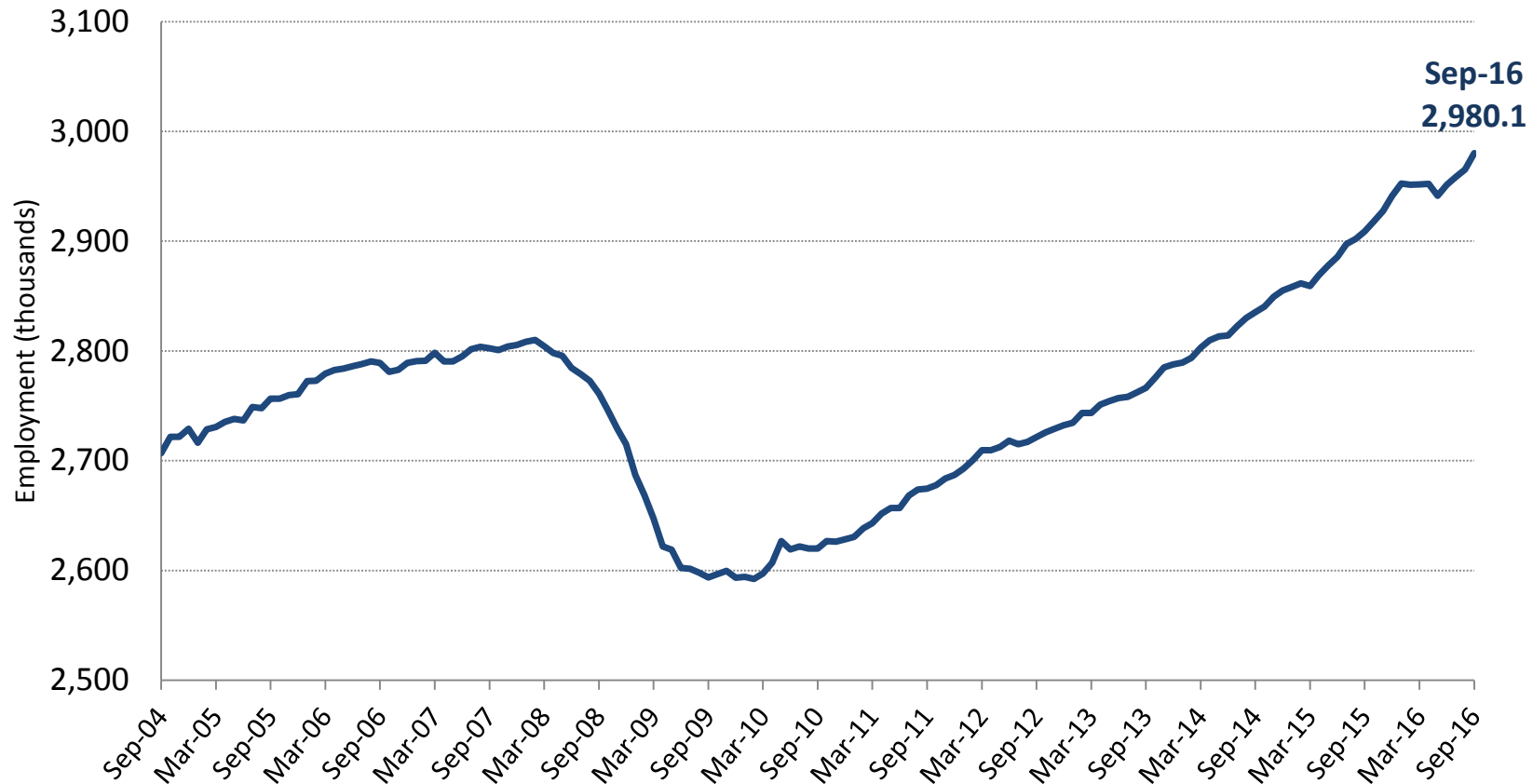
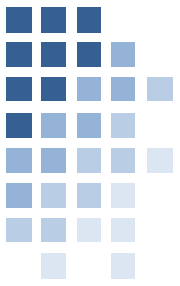
Interest Rates and Inflation



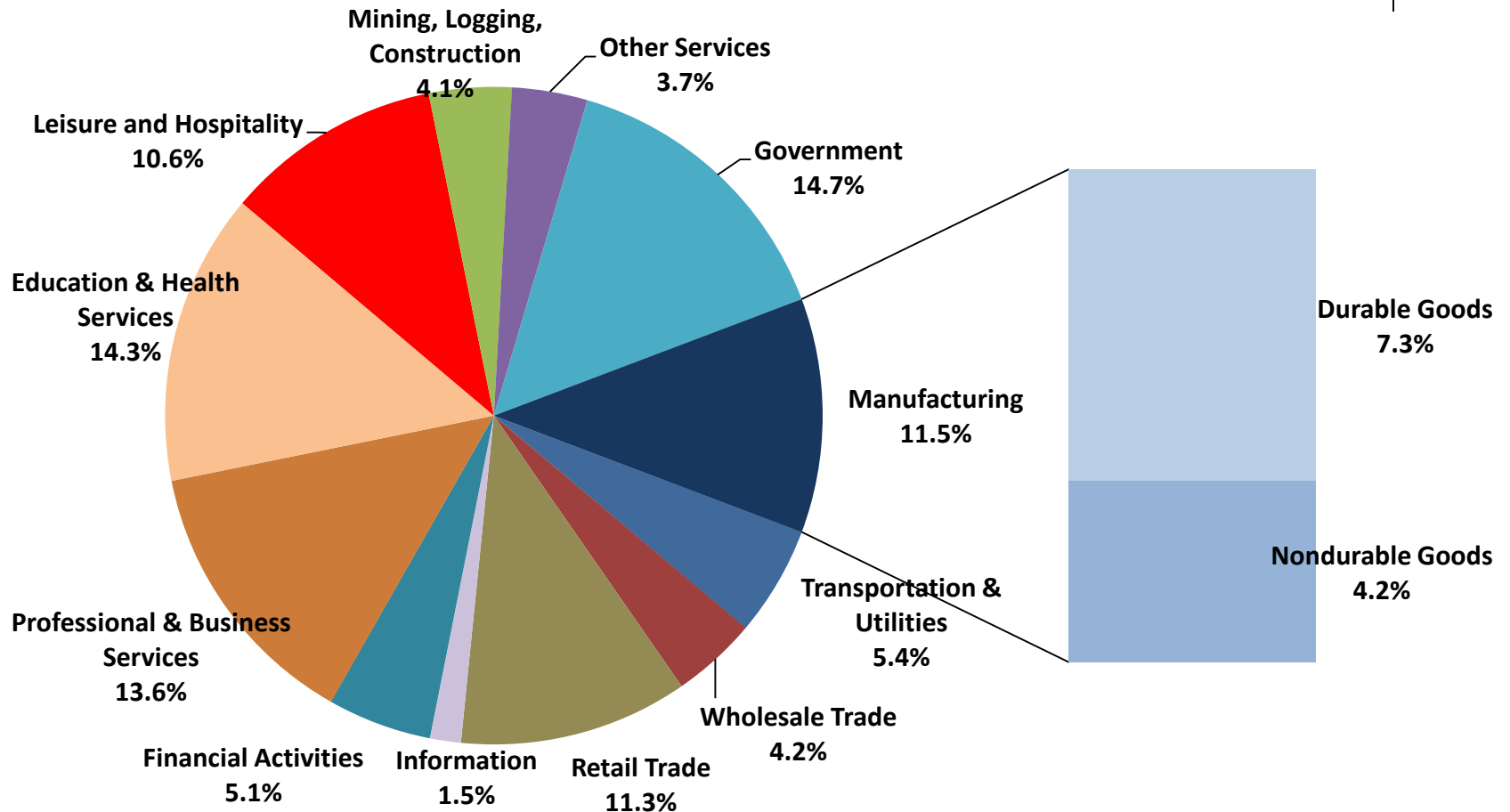
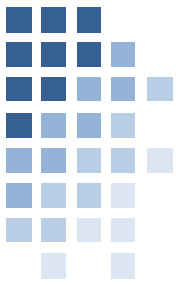
Tennessee and U.S. Nonfarm Job Growth (year-over-year growth)

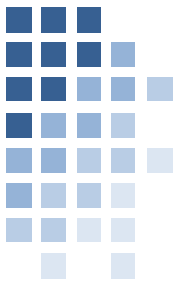


Tennessee Monthly Nonfarm Jobs (seasonally adjusted)

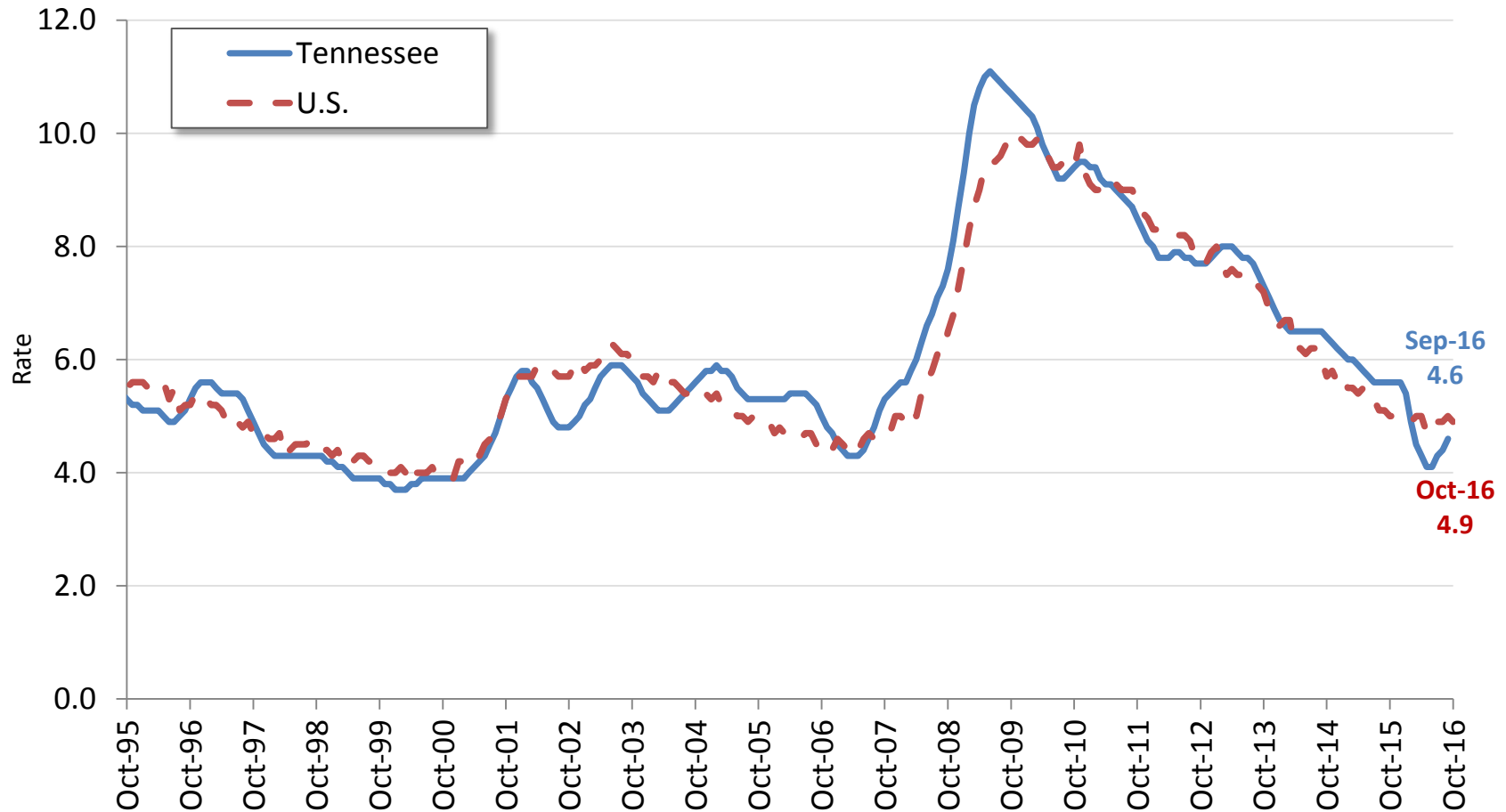


Tennessee Employment Distribution by Industry, 2015



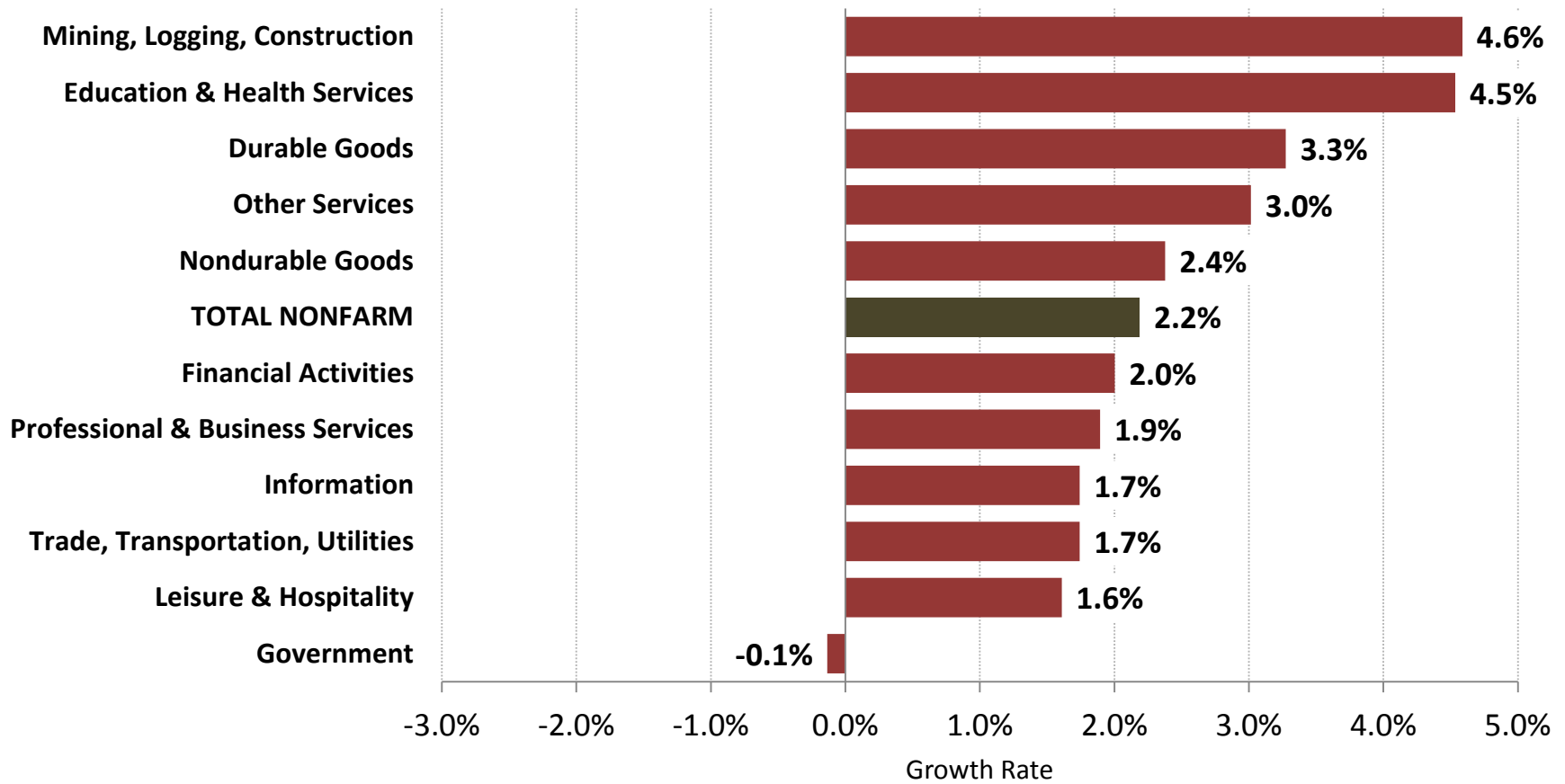
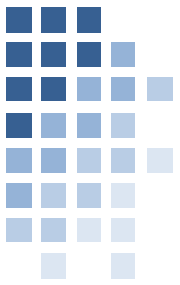


Tennessee and U.S. Unemployment Rate (seasonally adjusted)



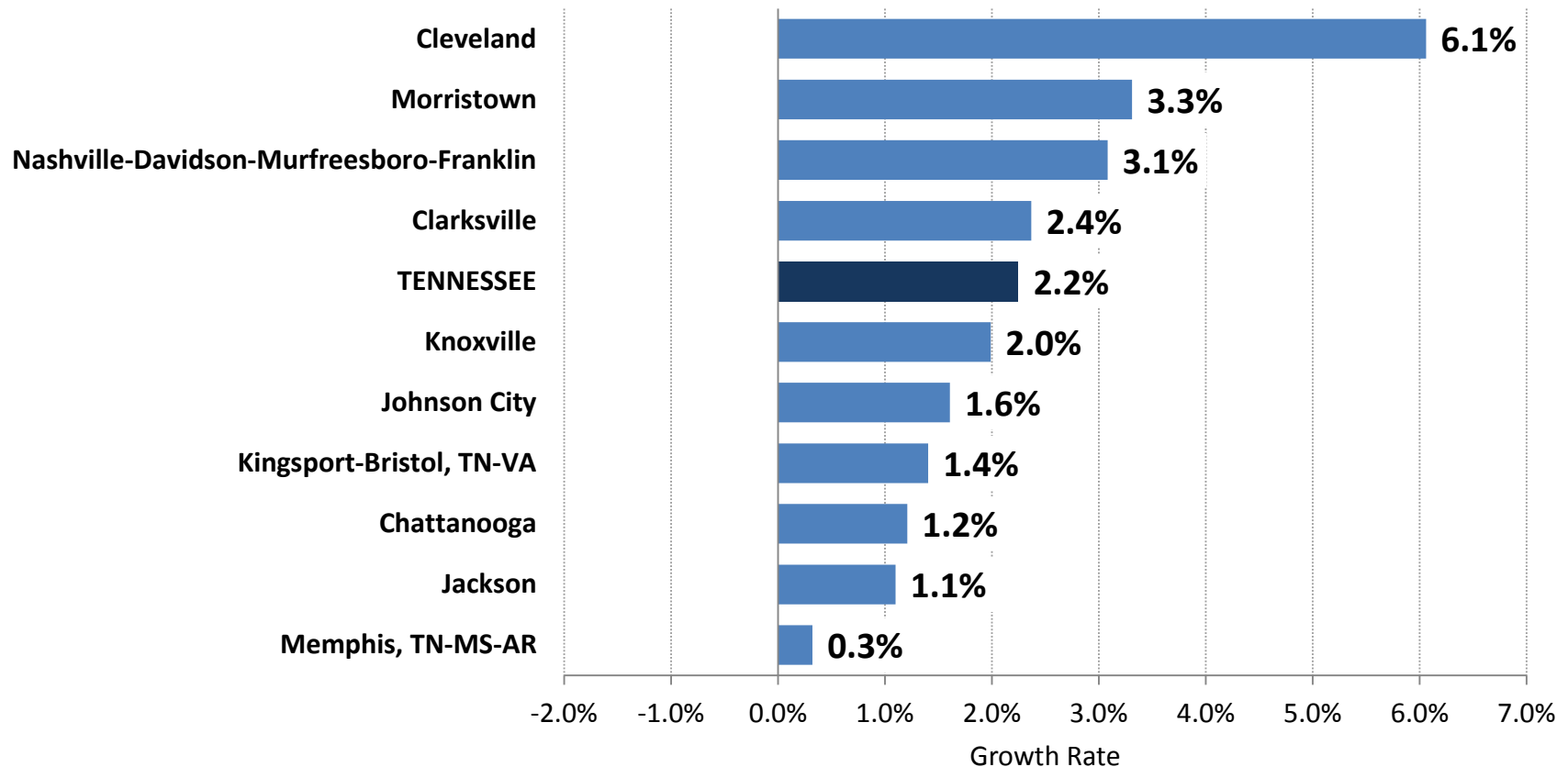
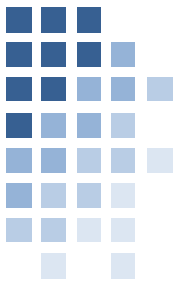
Tennessee Job Growth by Sector

(Quarter Ending Sept. 2015 to Sept. 2016)



Nonfarm Employment Growth, MSAs

(Quarter Ending Sept. 2015 to Sept. 2016)



U.S.: 1.6%

Tennessee: 3.7%

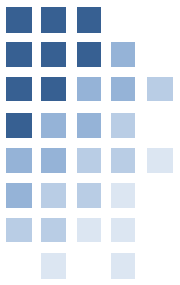
Less than 1.6%

1.6% to 9.9%

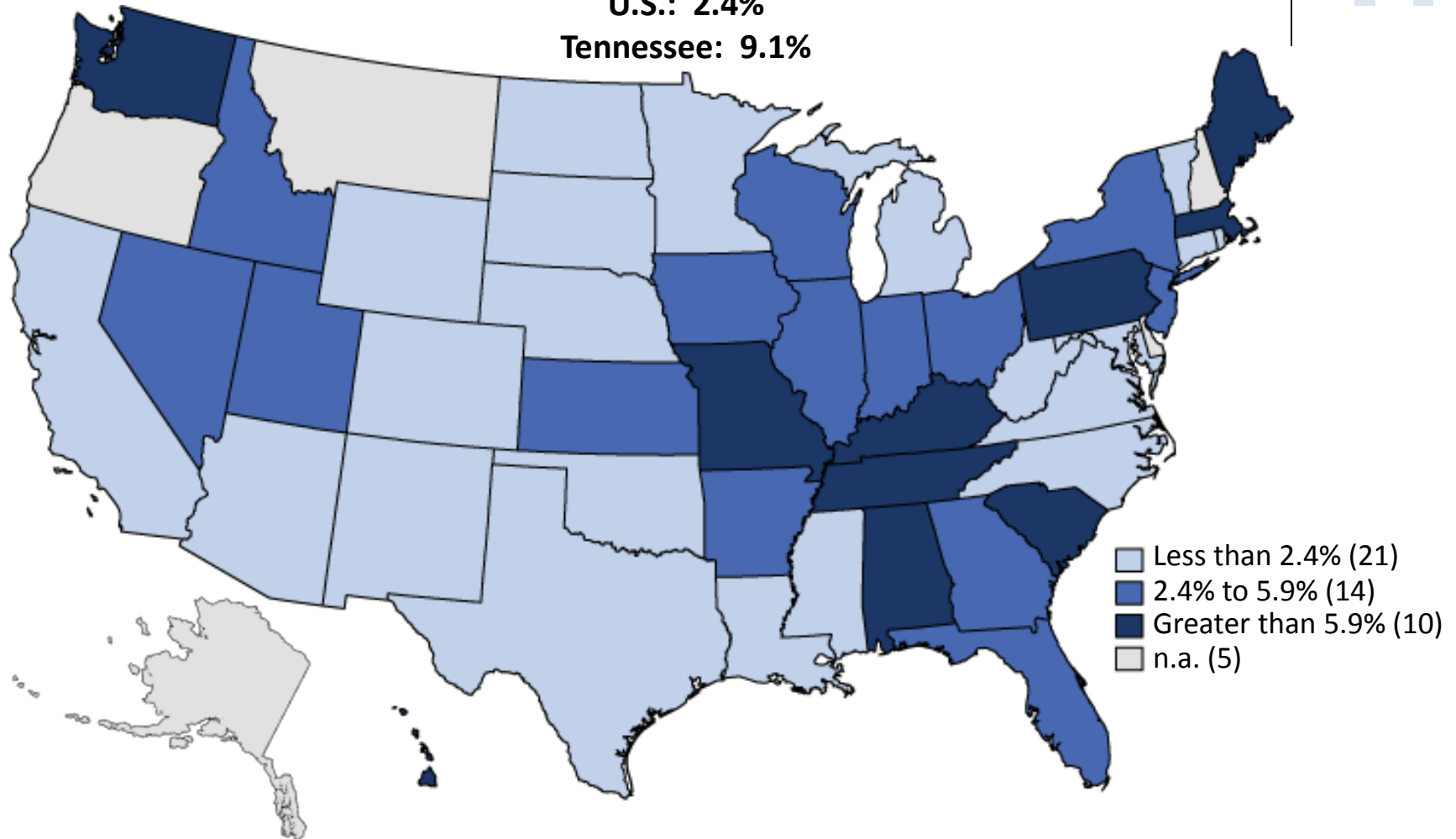
Greater than 9.9%

16

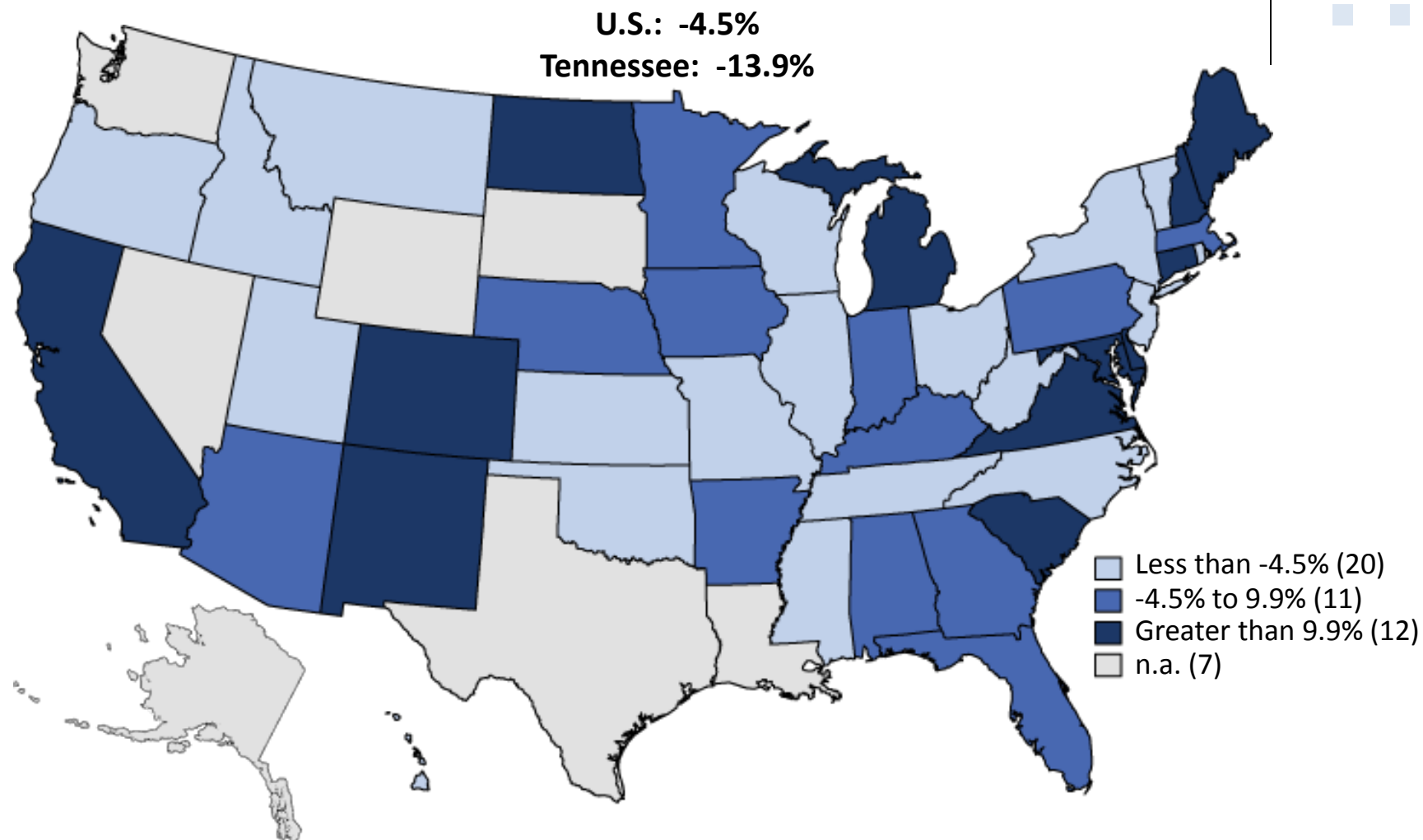
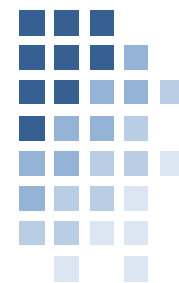
Change in Sales Taxes, January–March, 2015 to 2016



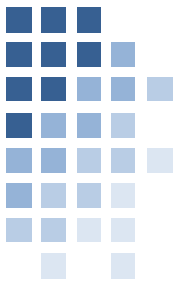
U.S.: 2.4%
Tennessee: 9.1%



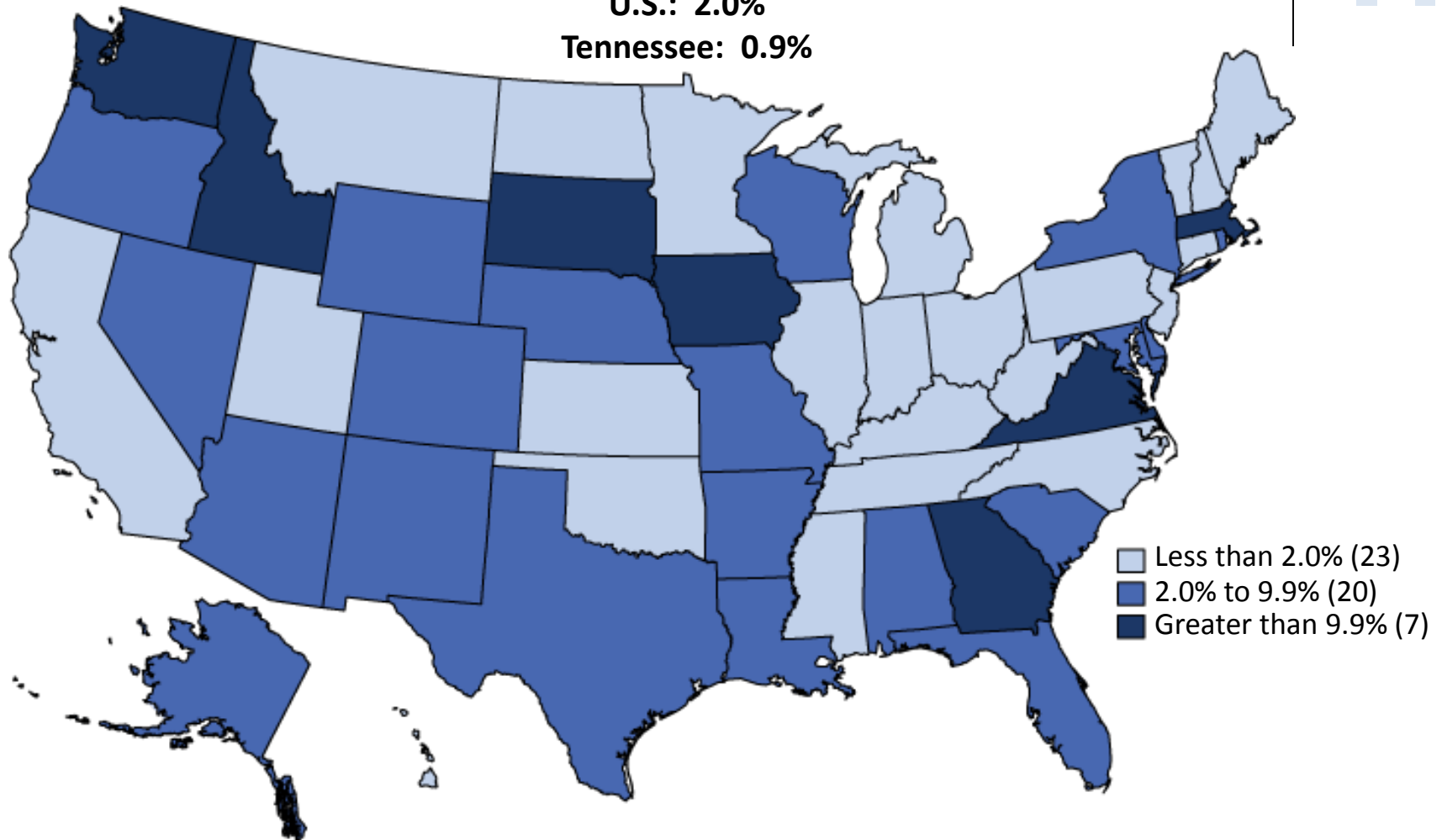
Change in Corporate Income Taxes, January–March, 2015 to 2016



Change in Motor Fuel Taxes, January–March, 2015 to 2016



U.S.: 2.0%
Tennessee: 0.9%



Tennessee Department of Revenue Collections (Millions of Dollars)

	2016			2017			2018		
	Amount	Percent Change	General Fund	Amount	Percent Change	General Fund	Amount	Percent Change	General Fund
Sales and Use	8,267.2	7.3	7,795.3	8,606.2	4.1	8,125.9	8,950.4	4.0	8,450.9
Gasoline	659.9	4.4	10.2	667.8	1.2	10.8	674.5	1.0	10.9
Motor Fuel	172.3	4.1	3.3	176.6	2.5	3.3	180.1	2.0	3.4
Gasoline Inspection	67.4	4.0	19.8	68.4	1.5	20.1	69.1	1.0	20.3
Motor Vehicle Registration	271.2	3.6	47.8	276.6	2.0	47.1	283.5	2.5	48.3
Income	322.4	6.3	210.4	279.4	-13.3	182.3	232.5	-16.8	151.7
Privilege	359.5	2.2	357.1	379.7	5.6	379.7	402.4	6.0	402.4
Gross Receipts	368.7	-2.3	214.1	362.5	-1.7	208.7	369.8	2.0	212.9
Gross Receipts - TVA	348.7	0.0	194.4	342.1	-1.9	188.9	348.9	2.0	192.7
Gross Receipts - Other	20.0	-30.3	17.2	20.4	2.0	17.2	20.8	2.2	17.6
Beer	17.4	3.0	11.7	17.4	0.0	11.7	17.6	1.0	11.8
Alcoholic Beverage	62.3	9.3	51.5	66.7	7.0	55.1	70.7	6.0	58.4
Franchise & Excise	2,311.7	6.8	1,968.3	2,427.3	5.0	2,114.7	2,548.6	5.0	2,220.4
Inheritance & Estate	55.4	-21.1	55.4	20.0	-63.9	19.5	10.0	-50.0	9.8
Tobacco	261.5	-0.7	261.5	260.2	-0.5	212.0	260.2	0.0	212.0
Motor Vehicle Title	22.8	88.4	22.8	23.7	4.0	23.7	23.9	1.0	23.9
Mixed Drink	96.3	12.0	74.5	104.0	8.0	104.0	111.3	7.0	111.3
Business	154.6	0.8	77.2	162.3	5.0	139.0	170.4	5.0	146.0
Severance	1.4	-33.3	1.4	1.4	2.0	0.7	1.4	0.0	0.7
Coin Amusement	0.3	0.0	0.1	0.2	0.0	0.2	0.2	0.0	0.2
Unauthorized Substance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	13,472.3	7.6	11,179.9	13,900.4	3.2	11,655.9	14,376.8	3.4	12,092.6
General Fund Growth		14.3			4.3			3.7	

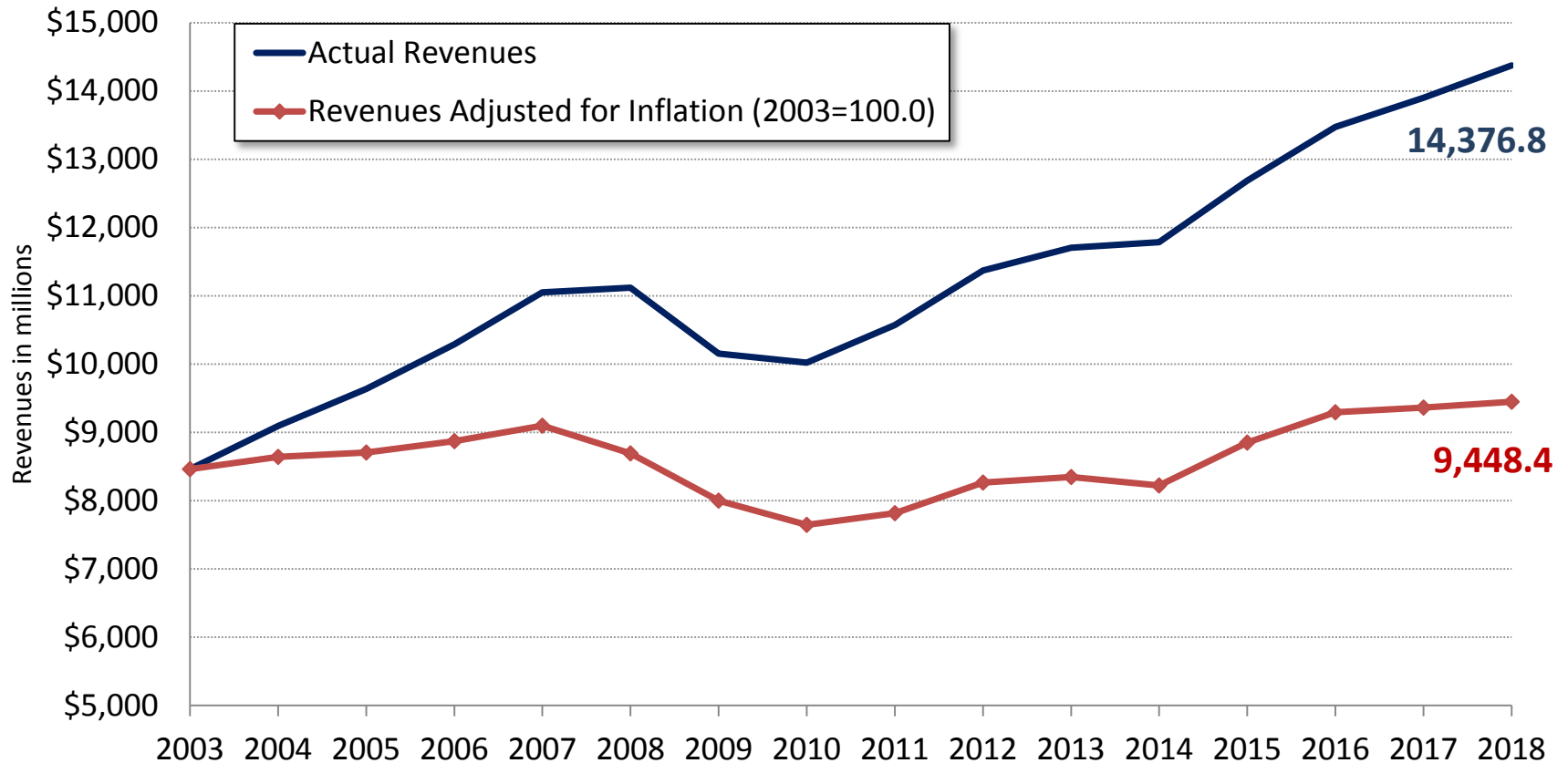
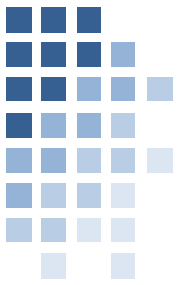
November 17, 2016

William F. Fox

Boyd Center for Business and Economic Research

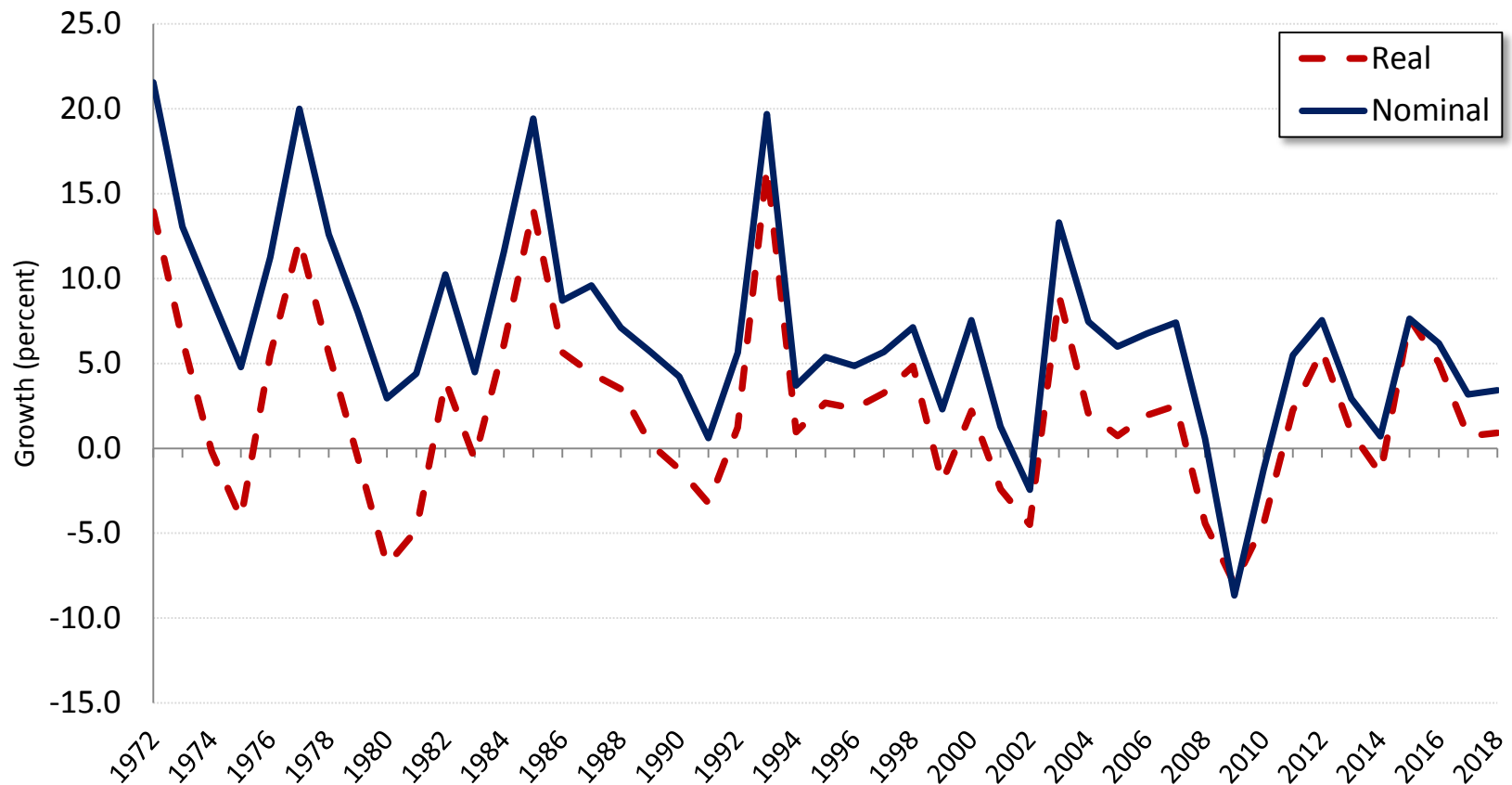
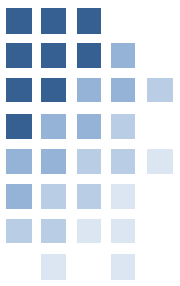
University of Tennessee, Knoxville

Actual Tax Collection Revenues and Revenues Adjusted for Inflation, 2003–2018



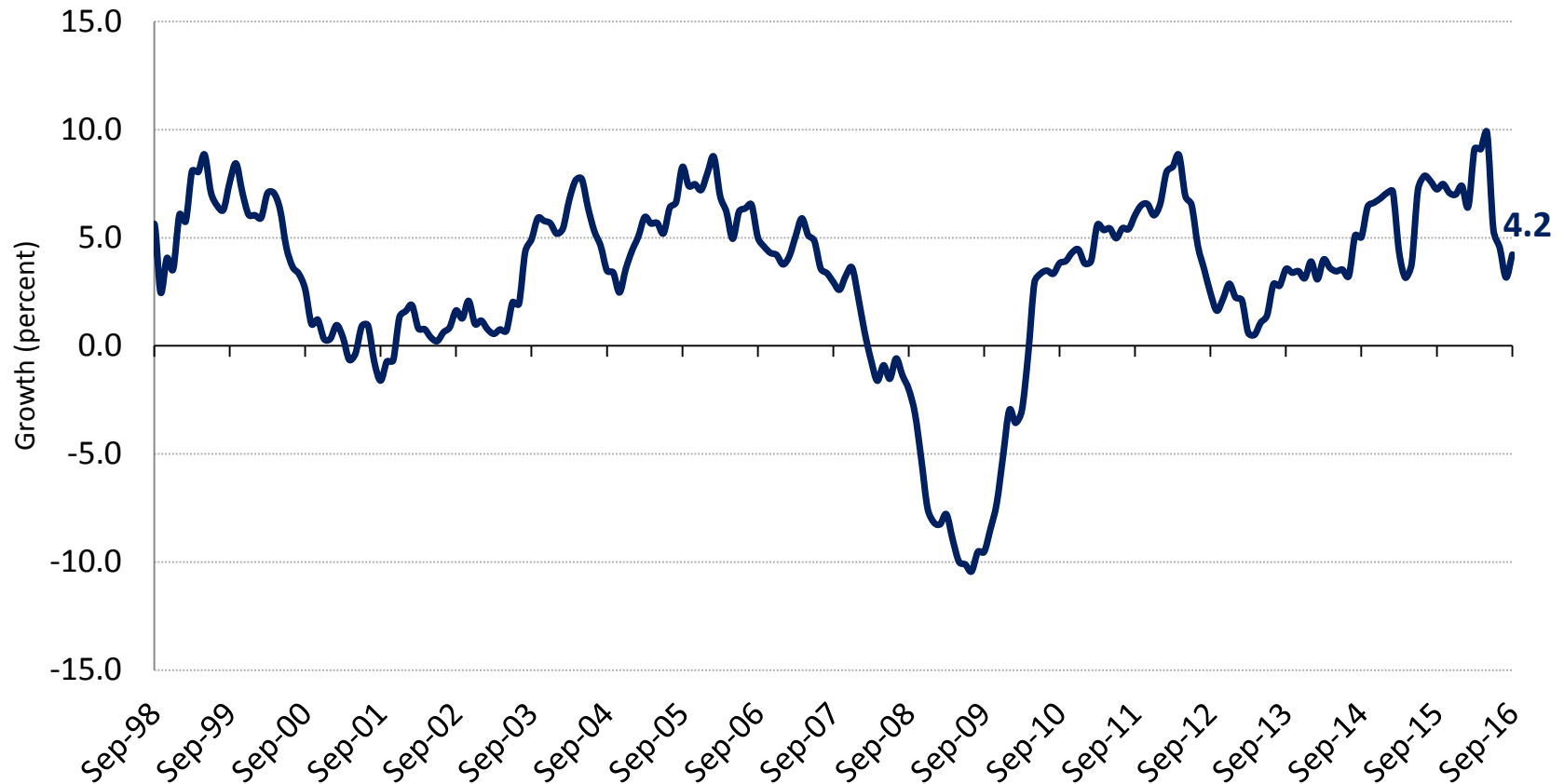
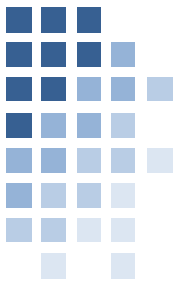
Growth in Adjusted Tax Collections

1972–2018



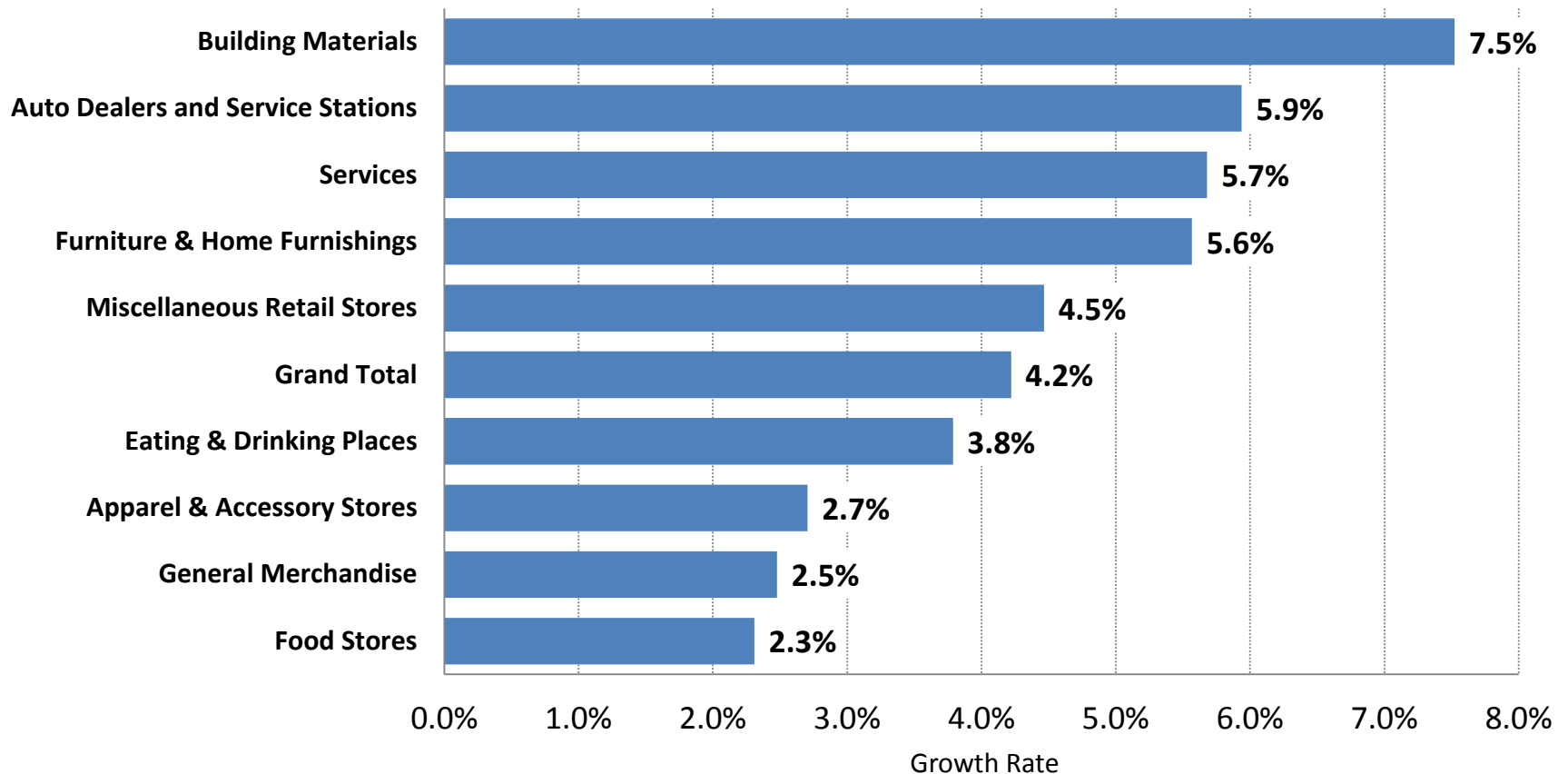
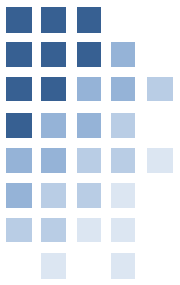
Growth in Sales Tax Revenue

(3-month moving average)

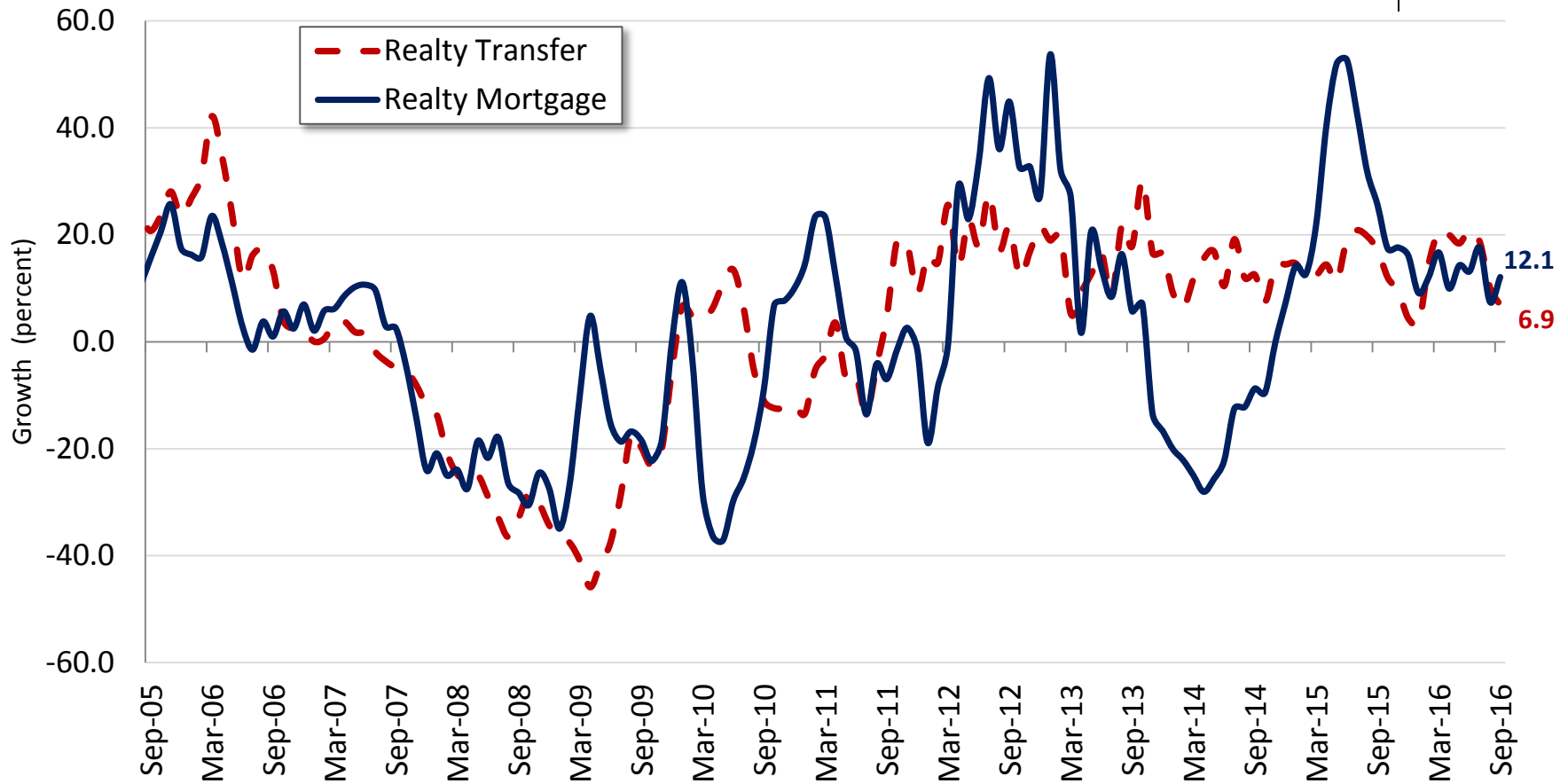
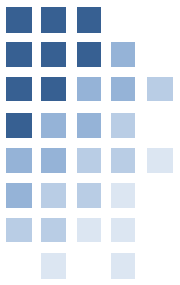


Sales Tax Collections by Category of Sales

(Quarter Ending Sept. 2015 to Sept. 2016)



Realty Transfer and Mortgage Tax Collections (3-month moving average)



Sales Tax Collections, Actual vs. Rate Adjusted, 1971–2016

